

HCS SS SB 242 -- APPEAL BONDS

SPONSOR: Yeckel (Byrd)

COMMITTEE ACTION: Voted "do pass" by the Committee on Judiciary by a vote of 16 to 0.

This substitute limits the amount of appeal bonds required of all appellants collectively to \$50 million in any civil litigation involving a claim relating to tobacco products. A court may, if good cause is shown, set the appeal bond at a lower amount, in which case the appellant must provide the court and the appellee with current and future financial statements. If the appellant is found to be purposefully dissipating or diverting assets outside the ordinary course of business for purposes of avoiding ultimate payment of the judgment, then the \$50 million limit may be rescinded and the court may enter orders to prevent dissipation or diversion of the assets. The substitute applies to all cases pending on or after its effective date.

The substitute contains an emergency clause.

FISCAL NOTE: No impact on state funds.

PROPONENTS: Supporters say that the bill as it passed the Senate is necessary to protect the state's Master Settlement Agreement revenue stream.

Testifying for the bill were Senator Yeckel; Philip Morris; R. J. Reynolds Tobacco Corporation; Brown and Williamson Tobacco Corporation; Lorillard; and Lashley and Baer.

OPPONENTS: There was no opposition voiced to the committee.

Julie Jinkens McNitt, Legislative Analyst